

15U - STRATEGIC PRIORITY AFFORDABLE HOUSING

Operational Summary

Description:

Fund 15U supports the development of affordable housing and housing activities for low-income persons through the expenditure of excess proceeds from the sale of a portfolio of single-family mortgages in Orange County.

Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	
	Results	Target	How are we doing?
REDUCE PERCENT OF AFFORDABLE HOUSING OPPORTUNITIES NEEDED PER THE REGIONAL HOUSING NEEDS ASSESSMENT What: Affordable Housing Opportunities include creating new and preserving existing affordable housing units. Why: Increasing affordable housing opportunities will help bridge the gap in the OC housing market.	HCS saw 4 grand openings of affordable housing projects and three ground-breakings.	HCS will continue with the NOFA process and will issue one NOFA for \$5 million.	Since 2000, ground has been broken for the development of over 1,600 affordable units. HCS expects to produce over \$336 million of affordable housing construction with a County investment of \$30 million.

FY 2005-06 Key Project Accomplishments:

- Provided partial funding for a new affordable housing rental project in FY 05-06 which resulted in 156 new affordable housing units.

Strategic Priority Affordable Housing - This fund facilitates the expenditure of Single Family Housing funds that are dedicated for the creation and preservation of affordable housing in Orange County.

Budget Summary

Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. HCS continues to explore and commit all eligible funding to increase affordable housing opportunities in the County. Currently, HCS has allocated over \$30 million for affordable housing development in Orange County from Federal HOME and

CDBG monies, Redevelopment funding and Housing Authority Operating Reserves. HCS will continue to solicit and support affordable housing projects through Requests for Proposals (RFP) and Notice of Funding Availabilities (NOFA). The goal of the RFPs and the NOFA process is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households by providing favorable financing.

Changes Included in the Base Budget:

Fund 15U was created in FY 02-03 to separate and account for \$5 million allocated to HCS from excess proceeds from the sale of a portfolio of single family mortgages. The FY 06-07 budget is approximately \$1.4 million less than FY 05-06 which is due to the funding of completed affordable housing projects and the draw of the initial \$5 million.

Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget As of 6/30/06	Actual Exp/Rev ⁽¹⁾ As of 6/30/06		Actual Amount	Percent
Total Revenues	4,811,188	4,719,156	4,719,156	2,689,823	(2,029,333)	-43.00
Total Requirements	92,032	3,948,364	2,170,026	2,689,823	519,797	23.95
Balance	4,719,156	770,792	2,549,130	0	(2,549,130)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Strategic Priority Affordable Housing in the Appendix on page A189

Highlights of Key Trends:

■ Over the past decade, the County has experienced a shortage of affordable housing which is impacted by a variety of factors including the availability of land, affordable housing funds, political will, and the real estate market. The development and preservation of affordable housing is challenged by rising housing costs, lack of appropriately zoned land, increased mar-

ket demands, and community resistance which combine to shrink the supply of affordable housing units and price low income residents out of the market. Despite these factors, HCS will continue to pursue its goal of increasing and preserving affordable housing opportunities for lower income Orange County residents.

15U - Strategic Priority Affordable Housing

Summary of Final Budget by Revenue and Expense Category:

	FY 2004-2005		FY 2005-2006	FY 2005-2006	FY 2006-2007			Change from FY 2005-2006	
			Budget	Actual Exp/Rev ⁽¹⁾				Actual	
Revenues/Appropriations		Actual Exp/Rev	As of 6/30/06	As of 6/30/06		Final Budget		Amount	Percent
Revenue from Use of Money and Property	\$	0	\$ 0	\$ 0	\$	128,000	\$	128,000	0.00%
Total FBA		4,811,188	4,719,156	4,719,156		2,561,823		(2,157,333)	-45.71
Total Revenues		4,811,188	4,719,156	4,719,156		2,689,823		(2,029,333)	-43.00
Services & Supplies		92,032	2,554,323	57,693		2,689,823		2,632,130	4,562.27
Other Financing Uses		0	52,500	0		0		0	0.00
Reserves		0	1,341,541	2,112,333		0		(2,112,333)	-100.00
Total Requirements		92,032	3,948,364	2,170,026		2,689,823		519,797	23.95
Balance	\$	4,719,156	\$ 770,792	\$ 2,549,130	\$	0	\$	(2,549,130)	-100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.